

**REPORT/RECOMMENDATION TO THE BOARD OF SUPERVISORS
OF SAN BERNARDINO COUNTY, CALIFORNIA
AND RECORD OF ACTION**

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June 22, 2004

**FROM: CAROL L. ANSELM, ASSISTANT COUNTY ADMINISTRATOR
HUMAN SERVICES SYSTEM**

SUBJECT: REQUEST FOR TRANSFER APPROPRIATION

RECOMMENDATION:

1. Authorize the Auditor-Controller to transfer appropriation of \$2,679,066 from the Human Services System Childcare budget (AAA ETP) to the Human Services System CalWORKs Aid Payments-All Other Families budget (AAB FGR).
2. Authorize the Auditor-Controller to increase federal, state and other revenue by \$2,853,463 in AAB FGR and decrease federal and state revenue in AAA ETP by \$2,679,066 as detailed in the Financial Impact section (4 votes required).

BACKGROUND INFORMATION: In June 2003, the Board of Supervisors adopted the FY 2003-04 Final County Budget, which included the Human Services System (HSS) CalWORKs Aid Payments-All Other Families budget (AAB FGR).

This budget unit provides CalWORKs assistance payments to families eligible for aid and includes all cases that have not been identified as two-parent or zero-parent families. These payments are 97.5% reimbursed by federal and state funds. The mandated local share of 2.5% is funded with county general fund. A portion of local share is offset by receipt of the County share of Child Support collections.

Expenditures are expected to exceed budget by \$2,679,066 due to a Cost-of-Living Adjustment (COLA), which took effect at the start of the fiscal year. At the time the budget was created, the State indicated that the COLA would not be granted to recipients, so it was not included in the 2003-04 budget. The COLA has resulted in expenditures and revenues being greater than originally budgeted. Local cost savings of \$174,397 is expected due to increased revenues realized from Child Support collections. This savings will be used to offset additional local cost needed in the HSS Aid to Indigents budget (AAA ATI).

In the HSS Childcare budget (AAA ETP), expenditures are expected to be under budget by approximately \$5 million due to reduced caseload and State regulated payment reductions to childcare providers. Therefore, sufficient appropriation exists to transfer to the HSS CalWORKs Aid Payments-All Other Families budget (AAB FGR). The HSS Childcare budget is 100% funded with State and Federal revenues, so revenues are also being reduced accordingly.

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REVIEW BY OTHERS: This agenda item has been reviewed and approved by County Counsel (Andy Hartzell, Chief Deputy County Counsel, 387-5470) HSS Finance (Kris Letterman, Administrative Analyst, 388-0330) on June 8, 2004, and County Administrative Office (Gary Morris, Administrative Analyst, 388-0356) on June 8, 2004.

FINANCIAL IMPACT: No additional local cost is required. The Board action does not increase the County General Fund contribution in FY 2003-04. The changes in Appropriation and Revenue requested are as follows:

APPROPRIATIONS

FUND	DEPT	ORG	OBJ CODE	DESC	AMOUNT
Transfer Appropriation <u>from</u> :					
AAA	ETP	ETP	3205	Other Public Assist	(\$2,679,066)
Transfer Appropriation <u>to</u> :					
AAB	FGR	FGR	3205	Other Public Assist	\$2,679,066

REVENUE

FUND	DEPT	ORG	OBJ CODE	DESC	AMOUNT
Decrease State & Federal Revenue in AAA ETP:					
AAA	ETP	ETP	8665	State	(\$ 181,301)
AAA	ETP	ETP	9010	Federal	<u>(\$2,497,765)</u>
					(\$2,679,066)
Increase State, Federal, & Other Revenue in AAB FGR:					
AAB	FGR	FGR	8665	State	\$1,339,533
AAB	FGR	FGR	9010	Federal	\$1,272,556
AAB	FGR	FGR	9400	Other	<u>\$ 241,374</u>
					\$2,853,463

COST REDUCTION REVIEW: The County Administrative Office has reviewed this agenda item and concurs with the agency's proposed action based on the requirements that San Bernardino County and HSS are required to meet under the State Welfare and Institutions Code section 11207.

SUPERVISORIAL DISTRICTS: ALL

PRESENTER: Carol L Anselmi, Assistant County Administrator, Human Services System
388-0287